

Senate File 244 - Introduced

SENATE FILE _____
BY RIELLY

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act providing a tax credit for certain small businesses
2 offering wellness programs to employees and including
3 effective and applicability date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 2010SS 83
6 tw/mg:sc/5

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1 1 Section 1. NEW SECTION. 135.27B WELLNESS PROGRAM TAX
1 2 CREDIT.
1 3 1. a. A wellness program tax credit shall be allowed
1 4 against the taxes imposed in chapter 422, divisions II, III,
1 5 and V, and in chapter 432, and against the moneys and credits
1 6 tax imposed in section 533.329, for a portion of a taxpayer's
1 7 costs incurred in providing a certified small business
1 8 wellness program to employees.
1 9 b. The amount of the tax credit shall be fifty percent of
1 10 the costs incurred in providing a certified small business
1 11 wellness program to employees. However, the total amount of
1 12 the tax credit claimed shall not exceed three hundred dollars
1 13 per employee per tax year.
1 14 c. To be eligible for the tax credit, a small business
1 15 shall be located in this state, be operated for profit and
1 16 under a single management, and have at least two but not more
1 17 than one hundred employees employed for at least fifty percent
1 18 of the employer's working days during the tax year.
1 19 d. An individual may claim a tax credit under this section
1 20 of a partnership, limited liability company, S corporation,
1 21 estate, or trust electing to have income taxed directly to the
1 22 individual. The amount claimed by the individual shall be
1 23 based upon the pro rata share of the individual's earnings
1 24 from the partnership, limited liability company, S
1 25 corporation, estate, or trust.
1 26 e. Any tax credit in excess of the taxpayer's liability
1 27 for the tax year is not refundable, but the taxpayer may elect
1 28 to have the excess credited to the tax liability for the
1 29 following five years or until depleted, whichever is earlier.
1 30 A tax credit shall not be carried back to a tax year prior to
1 31 the tax year in which the taxpayer first receives the tax
1 32 credit.
1 33 f. A taxpayer claiming a credit under this section shall
1 34 not be precluded, in computing taxable income, from deducting
1 35 the amount of costs for providing a wellness program allowed
2 1 under any provision of the Internal Revenue Code.
2 2 2. To claim a wellness program tax credit under this
2 3 section, a taxpayer must attach a tax credit certificate
2 4 issued by the department verifying the taxpayer's eligibility
2 5 for the credit. The tax credit certificate attached to the
2 6 taxpayer's tax return shall be issued in the taxpayer's name,
2 7 contain an expiration date that falls on or after the last day
2 8 of the taxable year for which the taxpayer is claiming the tax
2 9 credit, and show a tax credit amount equal to or greater than
2 10 the tax credit claimed on the taxpayer's tax return.
2 11 3. a. The department shall accept applications from
2 12 eligible small businesses for wellness program tax credits.
2 13 b. If the department determines that a wellness program
2 14 qualifies for a tax credit pursuant to this section, the
2 15 department shall issue a wellness program tax credit
2 16 certificate to be attached to the small business's tax return.
2 17 The tax credit certificate shall contain the taxpayer's name,

2 18 address, tax identification number, the number of employees,
2 19 the total costs incurred in providing the wellness program,
2 20 and any other information required by the department of
2 21 revenue.
2 22 c. The tax credit certificate, unless otherwise void,
2 23 shall be accepted by the department of revenue as payment for
2 24 taxes imposed pursuant to chapter 422, divisions II, III, and
2 25 V, chapter 432, and section 533.329, subject to any conditions
2 26 or restrictions placed by the department upon the face of the
2 27 tax credit and subject to the limitations of this section.
2 28 d. Tax credits issued under this section are not
2 29 transferable to any person or entity.
2 30 4. The department shall not issue a tax credit certificate
2 31 under this section unless the wellness program offered by a
2 32 small business provides for all of the following:
2 33 a. The development of measurable positive health outcomes
2 34 for employees participating in the wellness program.
2 35 b. Regular health risk factor assessments and a treatment
3 1 regimen designed to address health risk factors. For purposes
3 2 of this paragraph, "health risk factor" means a condition with
3 3 the potential to negatively affect a person's health or bodily
3 4 well-being. Health risk factors include but are not limited
3 5 to cholesterol levels, triglyceride levels, or blood pressure
3 6 levels that are outside the ranges for such measurements
3 7 recommended by the centers for disease control and prevention
3 8 of the United State department of health and human services.
3 9 c. Smoking cessation education that covers all of the
3 10 cessation treatments and counseling approved by the United
3 11 States food and drug administration. Smoking cessation
3 12 education may be provided by direct payment on an employee's
3 13 behalf, reimbursement of costs, or by the purchase of
3 14 insurance coverage providing for such education.
3 15 d. Weight loss education that addresses both nutrition and
3 16 physical activity.
3 17 e. Preventative care education, including information
3 18 about immunization, promotion of physical activity,
3 19 nutritional counseling, and stress management techniques.
3 20 f. Disease management services that identify diseases
3 21 before onset and treat diseases after onset.
3 22 5. The department may charge a fee in an amount not to
3 23 exceed fifty dollars per application for costs incurred in the
3 24 administration of this section.
3 25 6. The department shall adopt rules in accordance with
3 26 chapter 17A for the administration of this section, including
3 27 rules governing the application process and the criteria used
3 28 to evaluate applications.
3 29 Sec. 2. NEW SECTION. 422.11X WELLNESS PROGRAM TAX
3 30 CREDIT.
3 31 The taxes imposed under this division, less the credits
3 32 allowed under section 422.12, shall be reduced by a wellness
3 33 program tax credit allowed under section 135.27B.
3 34 Sec. 3. Section 422.33, Code 2009, is amended by adding
3 35 the following new subsection:
4 1 NEW SUBSECTION. 27. The taxes imposed under this division
4 2 shall be reduced by a wellness program tax credit allowed
4 3 under section 135.27B.
4 4 Sec. 4. Section 422.60, Code 2009, is amended by adding
4 5 the following new subsection:
4 6 NEW SUBSECTION. 15. The taxes imposed under this division
4 7 shall be reduced by a wellness program tax credit allowed
4 8 under section 135.27B.
4 9 Sec. 5. NEW SECTION. 432.12M WELLNESS PROGRAM TAX
4 10 CREDIT.
4 11 The taxes imposed under this chapter shall be reduced by a
4 12 wellness program tax credit allowed under section 135.27B.
4 13 Sec. 6. Section 533.329, subsection 2, Code 2009, is
4 14 amended by adding the following new paragraph:
4 15 NEW PARAGRAPH. n. The moneys and credits tax imposed
4 16 under this section shall be reduced by a wellness program tax
4 17 credit allowed under section 135.27B.
4 18 Sec. 7. EFFECTIVE AND APPLICABILITY DATE. This Act takes
4 19 effect January 1, 2010, for tax years beginning on or after
4 20 that date.

4 21 EXPLANATION

4 22 This bill provides a credit against the individual and
4 23 corporate income taxes, franchise tax, insurance premiums tax,
4 24 and moneys and credits tax for a portion of a taxpayer's costs
4 25 incurred in providing a certified small business wellness
4 26 program to employees.
4 27 The amount of the tax credit is 50 percent of the costs
4 28 incurred in providing a certified small business wellness

4 29 program to employees, but the total amount of the credit
4 30 claimed cannot exceed \$300 per employee per year.

4 31 To be eligible for the tax credit, a small business must be
4 32 located in the state, be operated for profit and under a
4 33 single management, and have at least two but not more than 100
4 34 employees employed for at least 50 percent of the employer's
4 35 working days during the tax year.

5 1 The tax credit is not refundable, but the taxpayer may
5 2 elect to have the excess credited to the tax liability for the
5 3 following five years or until depleted, whichever is earlier.
5 4 A tax credit shall not be carried back to a tax year prior to
5 5 the tax year in which the taxpayer first receives the tax
5 6 credit. The tax credit is not transferable.

5 7 To claim a certified wellness program tax credit under this
5 8 section, a taxpayer must attach a tax credit certificate
5 9 issued by the department of public health verifying the
5 10 taxpayer's eligibility for the credit.

5 11 The department will issue a tax credit certificate if the
5 12 wellness program offered by the small business provides for
5 13 all of the following: (1) measurable positive health
5 14 outcomes, (2) regular health risk factor assessments, (3)
5 15 smoking cessation education, (4) weight loss education that
5 16 addresses both nutrition and physical activity, (5)
5 17 preventative care education, and (6) disease management
5 18 services.

5 19 The department may charge a fee in an amount not to exceed
5 20 \$50 per application for administrative costs and is directed
5 21 to adopt rules for the issuance of the tax credit
5 22 certificates.

5 23 The bill takes effect January 1, 2010, for tax years
5 24 beginning on or after that date.

5 25 LSB 2010SS 83
5 26 tw/mg:sc/5